

EXAMINER'S BANKING PRACTICES SURVEY

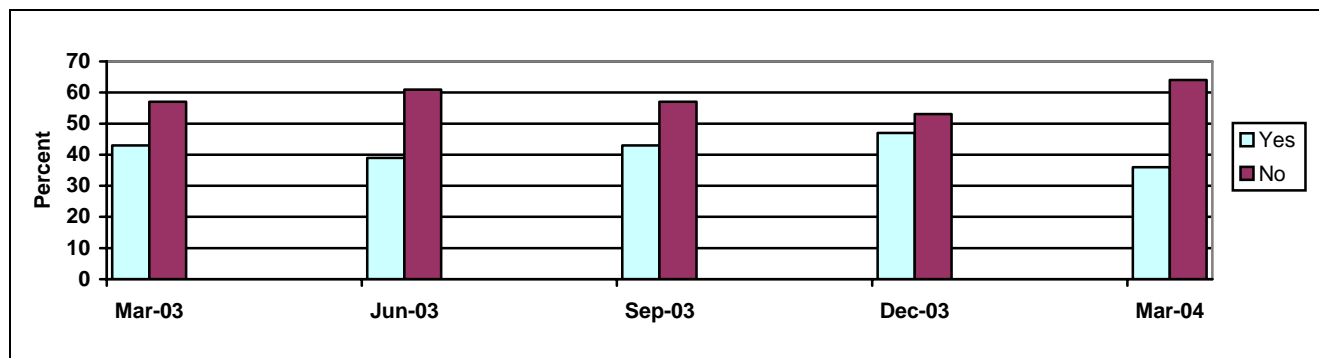
First Quarter 2004

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **First Quarter 2004** results are compiled from **25** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "*Significantly*" means growth of 20% or more.



Of yes responses:

Loan Type	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
RE/Const/Land Devel	24%	17%	17%	22%	27%
RE/Agricultural	8%	11%	13%	11%	14%
RE/Commercial/Indust	16%	25%	30%	15%	27%
RE/Residential	16%	19%	10%	14%	14%
Agricultural	20%	6%	10%	14%	0%
Commercial/Industrial	8%	14%	17%	17%	9%
Consumer	8%	8%	3%	7%	9%

2. Is the institution active in making the following types of loans?

	Jun-03		Sep-03		Dec-03		Mar-04	
	Yes 13%	No 87%	Yes 7%	No 93%	Yes 14%	No 86%	Yes 16%	No 84%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	0%		0%		43%		0%	
Dealer paper	75%		100%		43%		100%	
Low or No-doc bus. lending	0%		0%		14%		0%	
High LTV home eq. lending	25%		0%		0%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

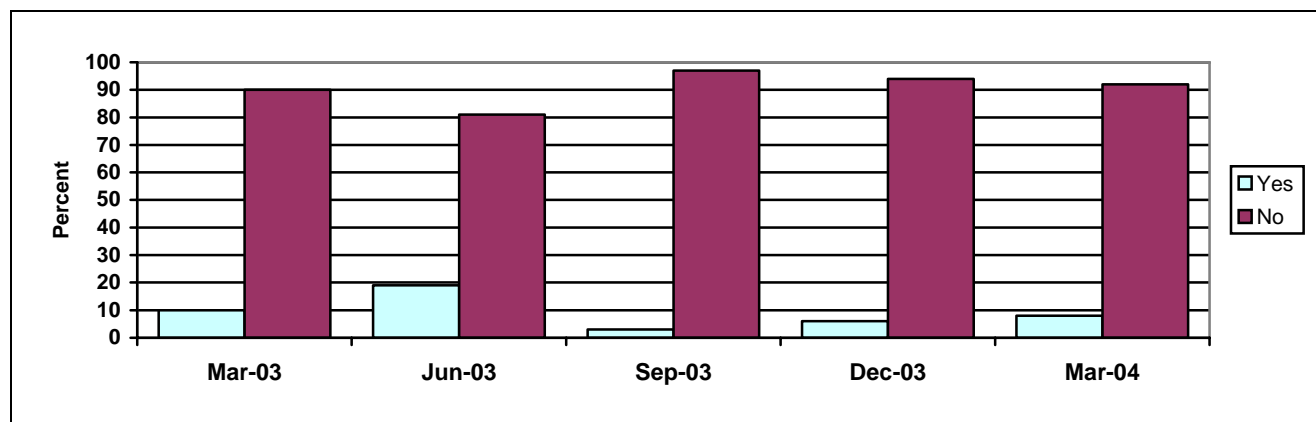
	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Yes	0%	0%	0%	0%	0%
No	100%	100%	100%	100%	100%

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4. Does the institution use credit scoring models for loan decisions?

	Jun-03		Sep-03		Dec-03		Mar-04	
	Yes 13%	No 87%	Yes 3%	No 97%	Yes 22%	No 78%	Yes 12%	No 88%
Of Yes Responses - Loan type								
Credit card	17%		0%		13%		0%	
Consumer	50%		50%		40%		67%	
Residential mortgage	33%		50%		40%		33%	
Small business	0%		0%		7%		0%	
Other	0%		0%		0%		0%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Making collateral based loans?	0%	25%	33%	25%	20%
Reduced collateral margins?	20%	0%	0%	25%	20%
Not requiring cash flow projections?	0%	25%	0%	25%	40%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	40%	0%	33%	25%	0%
Waiving guarantee's or other documentation?	0%	25%	33%	0%	20%
Other	40%	25%	0%	0%	0%

6. Describe potential risk in current underwriting practices for:

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Agricultural Loans					
Minimal	80%	81%	87%	83%	96%
Moderate	20%	16%	10%	17%	4%
Substantial	0%	3%	3%	0%	0%
Commercial Loans					
Minimal	77%	77%	80%	81%	64%
Moderate	23%	16%	13%	17%	36%
Substantial	0%	7%	7%	3%	0%
Consumer Loans					
Minimal	80%	84%	94%	86%	80%
Moderate	20%	13%	3%	14%	16%
Substantial	0%	3%	3%	0%	4%
Residential Loans					
Minimal	87%	87%	97%	92%	88%
Moderate	13%	10%	3%	8%	8%
Substantial	0%	3%	0%	0%	4%

7. Differences between actual lending practices and written policies are:

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	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Agricultural Loans					
Minimal	90%	90%	97%	83%	96%
Moderate	10%	10%	3%	14%	4%
Substantial	0%	0%	0%	3%	0%
Commercial Loans					
Minimal	80%	81%	93%	83%	80%
Moderate	20%	16%	7%	14%	20%
Substantial	0%	3%	0%	3%	0%
Consumer Loans					
Minimal	87%	87%	97%	89%	84%
Moderate	13%	13%	3%	8%	8%
Substantial	0%	0%	0%	3%	8%
Residential Loans					
Minimal	87%	87%	97%	86%	92%
Moderate	13%	10%	3%	8%	4%
Substantial	0%	3%	0%	6%	4%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Carryover Debt					
Minimal	87%	94%	90%	89%	96%
Moderate	13%	3%	10%	11%	4%
Substantial	0%	3%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	83%	94%	93%	83%	96%
Moderate	17%	6%	7%	14%	4%
Substantial	0%	0%	0%	3%	0%
Drop in Land Values					
Minimal	87%	90%	86%	86%	96%
Moderate	13%	7%	7%	11%	4%
Substantial	0%	3%	7%	3%	0%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

	Jun-03		Sep-03		Dec-03		Mar-04									
No. Banks with Inc/(Dec) in ratio (%)	+	39%	-	61%	+	73%	-	27%	+	47%	-	53%	+	24%	-	76%
Average Inc/(Dec)in Ratio		5.6		(9.4)		6.3		(5.7)		9.3		(9.8)		8.6		(8.9)
Cause of Increase																
Eased underwriting standards		5%		0%		4%		10%								
Deterioration in new loans		14%		3%		8%		0%								
Deterioration in older loans		53%		69%		67%		40%								
Participations or out-of-territory		0%		7%		0%		0%								
Economic conditions		14%		7%		17%		10%								
Changes in lending personnel		0%		0%		0%		10%								
New types of lending activity		0%		0%		0%		0%								
Other		14%		14%		4%		30%								

10. Estimate loan classifications at this examination into the following types:

Loan Type	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
RE/Const/Land Development	1%	5%	5%	5%	5%
RE/Agriculture	8%	5%	6%	7%	6%
RE/Commercial/Industrial	21%	26%	21%	26%	20%
RE/Residential	31%	17%	32%	29%	26%
Agricultural	5%	9%	8%	4%	5%
Commercial/Industrial	19%	23%	14%	22%	23%
Consumer	15%	15%	14%	7%	15%

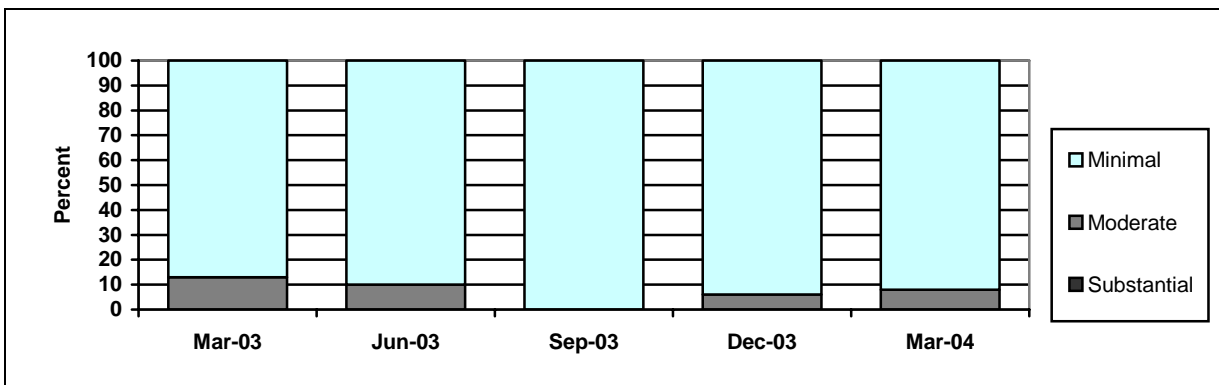
INVESTMENTS

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11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Yes	0%	0%	3%	0%	4%
No	100%	100%	97%	100%	96%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Yes	57%	77%	73%	92%	72%
No	43%	23%	27%	8%	28%
If yes, does the bank actively borrow from the FHLB?					
Yes	77%	87%	82%	85%	72%
No	23%	13%	18%	15%	28%

14. Does the bank hold off-balance sheet derivatives?

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Yes	0%	3%	0%	3%	0%
No	100%	97%	100%	97%	100%

15. List nontraditional activity the institution is engaged in.

	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04
Yes	63%	71%	73%	69%	84%
No	37%	29%	27%	31%	16%
Of those that do:					
Nondeposit Investment Sales	29%	26%	27%	29%	25%
Insurance Sales	11%	7%	11%	6%	10%
Real Estate Loan Secondary Market Sales	24%	28%	20%	29%	31%
Non-transactional Web Site	13%	13%	13%	4%	14%
Transactional Web Site	18%	24%	27%	30%	20%
Other	5%	2%	2%	2%	0%